

News release from Industri Kapital and Ratos
1999-11-30

**INDUSTRI KAPITAL (67%) AND RATOS (33%) JOINTLY
ACQUIRE THE NEW SUPERFOS GROUP**

- Industri Kapital and Ratos acquire Superfos' three Business Areas Packaging, Chemicals and Aerosol for DKK 2.7 billion (approximately SEK 3.2 billion)
- The operations will be gathered within a new Group (Superfos Industries) with sales of approximately DKK 3.3 billion and around 3,000 employees
- Ratos' ownership in the new Group is 33 per cent

Industri Kapital and Förvaltnings AB Ratos ("Ratos") have today decided to acquire the newly formed company Frydenlund Invest A/S (name under change to Superfos Industries A/S). Earlier this autumn, Superfos was acquired by the American company, Ashland Inc. in consultation with Industri Kapital. The parties' agreement then included that Ashland Inc. acquired Superfos US Construction, whereas Industri Kapital retained the remaining operations within the Group.

Industri Kapital and Ratos now acquire jointly, via Frydenlund Invest, Superfos' Business Areas Packaging, Chemicals and Aerosol for a total of approximately DKK 2.7 billion. Ratos is investing DKK 280M (approximately SEK 330M) and thus acquires an ownership of 33%. Within the next six months, Superfos' management will be offered a stakeholding in Superfos.

"Following our analysis of Superfos, I am able to note that today's investment is eminently compatible with Ratos' new Private Equity strategy. I am convinced that the investment will result in a high yield for our shareholders," says Ratos' President, Arne Karlsson. "As Industri Kapital and Ratos have the same opinion of how to create values, I see considerable benefits with a joint investment of this nature."

The new Superfos Group consists of the three Business Areas Packaging, Chemicals and Aerosol. Together, these operations reported sales of DKK 3,287M in 1998 and DKK 1,841M in the first six months of 1999. Total earnings before financial items amounted to approximately DKK 174M in the 1998 full-year and to DKK 150M in the first half of 1999.

"We see significant values in Superfos' operations which we will devote ourselves to realise in collaboration with Ratos and the management through, among other things, continued effectivisation and growth," says Björn Savén of Industri Kapital.

Superfos has long experience of growing through acquisition. In an outstanding way, the company has integrated acquired units and, among other things, has established itself as the market leader on several geographic markets and within a number of product segments. Through continued supplementary acquisitions and effectivisation

measures, Ratos and Industri Kapital consider Superfos' opportunities for continued growth to be very good. Against this background, the assessment of Ratos and Industri Kapital is that within a few years it will be possible to list Superfos on the stockmarket or find a new industrial partner for the company.

"With Industri Kapital and Ratos as owners, I am of the opinion that those of us who work within Superfos will be given excellent opportunities for developing the company further with the full support of the owners. At the same time, it should be said that there is no doubt about the new owners' expectations on what we are to achieve and within which time frame," says Per Möller, President of Superfos.

For further comments, please contact:

Arne Karlsson, President of Ratos, +46-8-700 17 00

Björn Savén, President of Industri Kapital, +46-8-678 95 00

Per Möller, President of Superfos +45 45 67 21 02

For further information:

www.superfos.com

www.ratos.se

www.industrikapital.com

Industri Kapital is a leading venture capital company in Northern Europe with total managed capital of more than EUR 1 billion (SEK 10 billion). Since 1989, 32 investments have been carried out within different sectors. The investors in the fund are mainly well-known Nordic, European and North American institutional investors.

Ratos is a listed private equity company whose business concept, over a period of time, is to create the highest possible yield for its shareholders through professional, active and responsible exercising of the ownership role in a number of selected companies and investment situations in which Ratos creates a unique investment opportunity for the players on the stockmarket. Added values will be created in connection with acquisitions, development and sale of companies. The net asset value amounts to more than SEK 8 billion. Ratos' Active holdings are Scandic Hotels, Dahl, Capona, Telelogic, Esselte, Meto, ACE and Telia Overseas.

SUPERFOS

Superfos was founded in 1892 and rapidly became one of the more important industrial and trading groups in Denmark. The share was listed on the Copenhagen Stock Exchange as early as 1905. In 1916 was founded what would later become Superfos Chemicals and in 1931 the Group's construction operations were started: today's Superfos Construction US and Superfos Construction Europe which was divested at the beginning of the year. In 1964, Superfos supplemented its operations still further with production of packaging, which is Superfos Packaging. As recently as this year, the present Business Area Superfos Aerosol was demerged from Superfos Chemicals following the acquisition of its German competitor, IG Sprühtechnik.

Over the past year, the share has developed less positively than the Copenhagen stockmarket in general and during summer 1999 several potential buyers indicated their interest in the company. On 9 August 1999, the American company, Ashland Inc. made an offer for Superfos which it raised in September. At the same time, it was announced that the offer was now being made in consultation with Industri Kapital and that the two parties had agreed that Ashland Inc. intended to acquire Superfos US Construction, whereas Industri Kapital intended to retain the remaining operations in the Group. On 12 October, Ashland Inc. announced that more than 90 per cent of Superfos' shareholders had accepted the offer and that it therefore intended to carry out the acquisition.

Industri Kapital and Ratos have now agreed to carry out the acquisition of Superfos' remaining operations via a jointly-owned company and together develop Superfos Packaging, Superfos Chemical and Superfos Aerosol.

Superfos Group, DKK M	1994	1995	1996	1997	1998
Sales (net)	4 310	4 861	5 417	6 885	8 043
<i>Construction (US+Europe)</i>	2 367	2 462	2 880	3 833	4 758
<i>Packaging</i>	1 282	1 398	1 394	1 566	1 748
<i>Chemicals (incl Aerosol)</i>	615	1 004	1 150	1 489	1 539
Operating result	226	266	329	397	453
Financial items (net)	-42	3	-4	-23	-99
Result before taxes	184	269	325	374	354
Operating margin, %	5.2	5.5	6.1	5.8	5.6
<i>Construction (US+Europe)</i>	7.0	7.0	6.8	6.5	6.8
<i>Packaging</i>	4.6	5.7	8.3	7.1	6.7
<i>Chemicals (incl. Aerosol)</i>	5.1	5.2	5.0	4.7	3.7

Superfos Packaging

Superfos Packaging develops, manufactures and markets plastic packaging to the food, chemico-technical and pharmaceutical industries. The most important product segments consist of plastic containers and cans, plastic bottles, pharmaceutical plastic packaging and to a small extent board packaging. Superfos Packaging's main markets consist of the Nordic countries, Southern and Central Europe as well as Great Britain in which the operations have achieved a market-leading position. In addition, Superfos Packaging's products are sold in selective parts of the American market. The operations currently have 15 plants in 11 countries and have around 2,250 staff.

Packaging, DKK M	Jan-Jun 1999	Jan-Jun 1998	1998
Sales, (net)	985	931	1 748
EBIT	99	77	117
Operating margin, %	10.0	8.3	6.7

Superfos Chemicals

Superfos Chemicals sells and distributes raw materials, food ingredients and chemical products. Superfos represents a large number of international producers on the Nordic market on which the operations have achieved a market-leading position. An important part of Superfos' business concept is to make its distribution network continuously more efficient with the aim of promoting stronger relationships towards both vendors and customers. Number of staff is approximately 370.

Chemical, DKK M	Jan-Jun 1999	Jan-Jun 1998	1998
Sales, (net)	616	658	1 255
EBIT	26	26	42
Operating margin, %	4.1	3.9	3.3

Superfos Aerosol

Following the acquisition of the German company, IG Sprühtechnik, Superfos is an important European operator within contract filling of technical, cosmetic and pharmaceutical products. Through the German acquisition, Aerosol's product range has been expanded with aerosols of a higher technology content. Superfos' aim is to become the market leader within contract filling in Europe. The European market is growing but at the same time is very fragmented. With a five per cent market share, Superfos is now one of the five largest contract fillers in Europe. At the present time, the Business Area has around 360 employees.

Aerosol, DKK M	Jan-Jun 1999	Jan-Jun 1998	1998
Sales, (net)	241	153	284
EBIT	25	10	13.8
Operating margin, %	10.6	6.2	4.9